

# SPEECH

OF

MR. FLOYD, OF NEW YORK,

*John Galton* ON 1806-1881

## THE INDEPENDENT TREASURY BILL.

### HOUSE OF REPRESENTATIVES.

TUESDAY, JUNE 11, 1840.

MR. FLOYD rose and said—

MR. CHAIRMAN: The history of the proposition "to provide for the collection, safe keeping, transfer and disbursement of the public revenue," contained in the bill now under consideration, affords, as I think, much instruction for those who would learn aright the character of the American people, and is alike creditable to the distinguished individual at the head of this Government, who first proposed it for the consideration of Congress, and to the intelligence of our fellow-citizens, who, through their agents, here assembled, are, as I apprehend, about to carry it into effect by the form and sanction of law.

The peculiar situation of the currency, when the plan of an Independent Treasury was first laid before the country by the President, in his message of 1837, is doubtless well remembered by all on this floor, and as I then thought, and still think, imperatively called upon the Chief Magistrate to propose some plan by which the treasure of the people, collected from them, and held in trust for them by their servants, should be safely preserved for its appropriate uses, and not subjected to the embarrassments and losses which had been and might again be occasioned, by the reckless cupidity of unprincipled corporations.

The whole army of monied monopolies throughout the country was utterly prestrate and flat; and the numerous retinue of camp followers, consisting of directors, stockholders, counsellors, attorneys, brokers, debtors, and runners, in Congress and out of it, were unable to give them any aid. The currency—if currency it could be called—consisted of bank paper, for which not a dollar of money could be obtained, and which was in truth little more than a certificate of the great gullibility of the people, and the fraudulent bankruptcy of those who issued it. Even Baal himself, ceased to

be a God. The great idol of the Federal party—the United States Bank—having exhausted its energies in a fierce warfare upon the "old Roman," and in the payment of bribes, in the shape of immense counsel fees, to Senators and Congressmen, toppled headlong down, from its own rottenness, and the wrecks of the State banks were scattered throughout the country in such a profusion of corruption, that the whole land stank. Shoals of speculators and merchants, who had hoisted all sail to catch the prospering breeze, and were riding, as they supposed, on the top billow to wealth and luxury, were, by the receding wave, left like shell fish high and dry upon the sand, to gape and rot. The people themselves, in their associated capacity as a people, did not escape unscathed. Their treasure, which they had contributed for their general welfare, had been entrusted for safe keeping to those faithless agents, the banks, and a call upon them for payment was as ineffectual as would have been a call upon the dead to arise; they had neither the disposition to pay, nor the ability.

The lobbies of the State Legislatures were overrun with bank vermin. All the well known appliances of the banks were put in requisition to procure the sacred power of the States to sustain and support an insolvent banking interest. The stockholders of banks in the Legislatures needed no prompting to promote their own interest. To such in the Legislature who owed the banks, threats, direct or indirect, were used, while others were assailed by the most abject entreaties—for the veriest beggar for cold victuals cannot "crook the pregnant hinges of the knee" with more suppleness than a bank aristocrat; whenever "thrift may follow fawning." And so effectually was the object pursued, that throughout this whole confederacy of sovereign states, I believe, without one exception, the legislative power of the State was brought to bow in submission at the feet of the bankrupt moneyed associations. But, sir, while the several States were brought



son by bank influence from within and from without, to blot their statute books with infamous suspension laws, legalizing the frauds of the banks, and sanctioning their continuance, enabling them to reap a harvest of wealth from the ruin they had themselves occasioned, the people were subject to the tender mercies of their own agents, and were compelled to receive their own money in a depreciated currency; and in paying their servants, their military, civil and naval officers, the hardy soldier, the gallant sailor, and the laborer on public works, were compelled to make up in quantity what the bank currency lacked in quality.

Such, Mr. Chairman, was the situation, but faintly described, of the currency and the currency making institutions of the country, when the President of the United States, the highest public servant of the people, elected by themselves—by their free, unbiassed suffrages—to watch over their interests, in the discharge of his duty, proposed to Congress, and through Congress to the country, that national honor and honesty—a proper discharge of national obligations—yea, justice to themselves, required that the people should keep their own money in their own way—trusting none but servants selected by themselves for their integrity and fidelity, and dissolving, forever, a connection with the banks, which had proved so disastrous.

And, sir, how was the proposition met by the Federal party in this House and in the country? By unqualified, bitter hostility. The propensities of privileged orders are the same in all countries. Do the nobility of England grasp with less energy their titular distinctions, because all the causes which led to their creation, and all the circumstances and associations which gave them worth and grandeur, have long since passed away? and because the tinsel glitter, which distinguishes them, is but the phosphorescent glow which marks their decay? Not at all. And the Federal party in this country, which apes, at an humble distance, the aristocratic mummery of Great Britain, never buckled on their harness in defence of their favorite privileged institutions with more zeal, than when those institutions had shown themselves to be utterly worthless and corrupt. Well, sir, they opposed, they defeated the Independent Treasury plan. Did they propose any thing in its stead? Nothing. Like Satan, they had power to do evil, but neither power nor inclination to do good. They had strength to prevent this measure, but no ability to propose a better.

"Too ignorant to teach, too proud to learn,"

they contented themselves with the poor honor of being able to destroy. Sir, if there has been derangement in the finances of the Government, and if, from that derangement, the business of the country has suffered, let the blame lie at the door of that party, which held a majority upon the question of finance in this House, during the last Congress. It is not with them to deny, that they had the power to regulate the finances of the Government. They had that power—they had a majority of this House; the journals and the recorded votes shows this fact. Why did they not propose a plan for keeping, collecting, and disbursing the revenue? Had they not the capacity, or

had they not the courage? Why at least did they not discharge their solemn duty by making the attempt to save their country from the disasters which they allege have occurred for the want of a good financial system.

Sir, the opposition is indefensible upon this point, and no one can doubt that they feel themselves to be so, who was present a few days ago, and witnessed their extreme sensitiveness, when the honorable member from North Carolina, (Mr. MONTGOMERY) "like an eagle in a dove cote," fluttered the Federal forces in this House by charging their delinquency home upon them, and proving it from the journals. But, sir, "the second sober thought of the people, never wrong, and always efficient," has prevailed. Upon this issue, every member of this House was elected. Upon this issue the Administration may safely consent to stand or fall. By this issue the Opposition professed themselves willing to abide, until completely routed and overthrown; they have scattered to the winds every issue which involves reason and principle, and have betaken themselves to the hopeless task of cozening the intelligent voters of this country, by appeals which rate the intellect of the laboring man on a par with that of his horse.

Mr. Chairman, I propose briefly to examine the principal features of the system now under consideration, and to compare it with the antagonist measures to which the Opposition are supposed to be friendly.

First. The bill proposes that the money of the people shall be collected, kept, and paid out by responsible agents of their own, selected for that express purpose, instead of the banks, which have been hitherto employed as financial agents.

There would seem, at first blush, to be nothing very startling in the proposal that, in a free and Republican Government, where all power emanates from the people, and all officers are, or should be, responsible to them, that so important a class of public servants as those entrusted in any way with the revenue of the country, should derive their authority and feel their accountability, according to this most salutary principle of Republicanism. If an individual appoints an agent for any particular service, he selects that agent with a view to his qualifications and responsibility, and he prescribes the mode and manner of performing his duties, and exacts security for the faithful execution of his trust. Why should not the people of this country, in selecting their agents, have the benefit of the same wholesome mode of appointments? Whence comes the irresistible necessity of appointing, as financial agents, those in whose selection the people have no voice, upon whose corporate existence no moral obligation can rest—no reproach for delinquency can attach—to whom a reputation for honesty or dishonesty is alike indifferent, and who can be subject to no punishment for their crimes, however enormous and base? Whence, I say, is the necessity which seems to rest upon the minds of gentlemen in the Opposition, that the people of this country must continue to employ agents of this description? What are the qualifications requisite in a financial officer? Are they



not honesty, capacity, and responsibility? And are not all three of these secured by the bill under consideration? As for those of the opposition who say that men of sufficient honesty cannot be found, I respectfully request them to confine the declaration to themselves and friends. I make no such confession, and submit to no such imputation for the party with which I act. But, if honest individuals cannot be found, how is the matter helped by employing banks? What are bank officers but individuals? and was it ever heard of, that a man became more honest by becoming an officer of a bank? Nay, sir, is not the danger in this respect greatly increased by employing banks as depositories? for, besides the risk that the collector of revenue may be dishonest, you then have the additional risk that some one out of the score of bank officers may be so. So far, then, as honesty may be considered a desirable quality in an agent, the system proposed by the present bill has a decided advantage over the deposite bank system; besides, by it, the people may select their servants from among themselves, and may choose any one of the whole mass of citizens of the United States, while, by appointing the banks as fiscal agents, they must trust to the honesty of the officers of the bank, who are selected sometimes for their morality, and sometimes for their knavery.

Then for the capacity of the agent. What superiority is claimed for the banks; in point of financial skill, over individuals? Does the magic of a bank charter endue those who hold office under it with superior wisdom? Such a proposition is absurd in theory; and the deplorable history of banking institutions for the last few years, most fully proves that they do not possess skill enough to save themselves from the disgrace of suspension and insolvency.

Now, sir, what is the *responsibility* of the banks? What is the security they offer which cannot be procured equally well by an individual? What is the security you have had from the deposite banks? Why, it has been according to the most approved form of the modern "credit system." You have had the banks as corporations for principals, and the individuals composing the banks for sureties; like modern commercial paper, in which A and B, as members of a firm, draw a note, and, to make it perfectly good, A and B, as individuals, endorse it; and, with all this boasted security of the banks, they have been utterly unable to pay to the people the money entrusted to them for their safe keeping; and while the agents of the deposite banks are in your lobbies begging you for a postponement of the day of payment for the money they owe you, their friends upon this floor are urging you to try them again—to trust them with more money, for the purpose, perhaps, of enabling them to pay what they owe already. Sir, I should blush for my country, if I could say that citizens of the United States could not be found who were trustworthy as Government agents. I should state what all men know to be false, if I declared that banks were more honest than individuals. But, sir, there are knaves enough, both in the banks and out, and with the utmost care dishonest persons may be selected. For such this bill provides, in a way in

which it is impossible to apply it, or any legal provision, to corporations, and that is, by bodily punishment. The seventeenth section of the act declares any use, by loan, or in any other way, of the public money, an embezzlement, and punishes it with imprisonment. Sir, if you could have brought this salutary provision to bear upon the directors and officers of the pet banks, your Treasury would have avoided much of the embarrassment it has experienced.

At the first proposal of the Independent Treasury plan in 1837, there broke out afresh the controversy which has ever existed, and ever will exist, in this country, between the people and the moneyed aristocracy, and privileged classes, and that is the question involved in this bill, which draws out such fierce opposition. Shall the people govern, or shall they submit to be bound hand and foot, and abide the dictation of the aristocracy of associated wealth. Such is the issue, and every Democrat who tenders or accepts any other issue in the present contest, is unjust to himself and to his principles. That the doctrines held by the Opposition are odious, they know right well—they are offensive in the nostrils of the people, and it is not strange that they should attempt to conceal them, or that they should attempt to get up issues, in which the principles which lay at the root of the opposition to this bill may not come directly in question. Those, sir, who approve of this bill, should make it their duty to show that opposition to it arises from those only who would establish a favored, distinct class among us, to be supported without labor at the expense of the many.

Mr. Chairman, call it radicalism, if you will—call it Jacobinism, if you please—the fact, nevertheless, is, that in this country, every great political contest has been, and every political contest upon principle will be, a war between the rich and the poor—on the part of the rich, a war of aggression—on the part of the poor, a war of defence. The arrogance of wealth is almost universal—the possessor of riches most naturally slides into the belief that the property which gives him advantages in the procurement of the luxuries of life over his poor neighbor, should confer additional personal importance and superior political rights. Hence it is that the Democratic party is continually undergoing a process of purification and rejuvenescence, if I may so speak—those who have grown old and grown wealthy, leaving it to find more congenial principles and associates in the ranks of the aristocracy, while their places under the Democratic banner are filled with enlistments from the young men of our country, whose only prospect of success in life, whether their aim be wealth or honor, depends upon the preservation of the free, untrammelled, uncontrolled, unprejudiced rights of each citizen.

The bill under consideration is the poor man's bill. It gives him nothing, it is true—he asks nothing. It is the poor man's bill, because, like few bills passed by law makers, it takes nothing from him; it leaves him a clear field, and he asks no favors; it operates with equal and exact justice upon all; it knows no man otherwise than as a citizen of the United States; and whatever may be his rank or calling, from that of a farmer, the most



noble of all, down, down, down, to the banker, who lives upon privilege—it shows no favor and imposes no disability. Is it not the duty of those who represent all, to adopt such measures as will afford equal protection to all, and show favors to none? Why, then, and by whom, is this measure opposed? Sir, I will examine this question at some little length.

The Independent Treasury system is opposed by those classes of citizens who have hitherto preyed upon the Government—who have had the custody and the use of its money so long, that they have come to regard it as their own—and who consider their own particular interests as deserving the peculiar fostering care of the Government, to the exclusion of all others. Sir, I mean the merchants and bankers, and those connected with and dependent upon them by the operations of their business. It is from those, and from their public organs, that proceed the most terrific bellowsings against this bill. The public treasure is about to be wrenched by the people from their clutch. Think you they will yield it without a death struggle?

A wise man has said, in most apt words, in regard to legislation: "Touch but a bristle of the commercial interest and the whole sty will be in an uproar." How fully has the truth of this assertion been manifested during the last few years in this country? Could all the Federal jeremiads of the last two years be uttered at once, it would make an uproar of lamentation which would drown the thunders of Niagara. Were all the papers in the pay of the banks and the merchants, which have been filled with mourning for their lost plunder, spread out in this broad land, they would cover it as if a deluge had departed and left a pestilential scum.

The farmer has been at work, planting his corn, dropping three kernels for himself and two for the banks. The mechanic has been at work in his shop, striking three blows for himself, and two for the banks; for it is in about this proportion that your system of paper money robs the producer of his earnings, and by a silent, but sure process, transfers them to the coffers of the banker; but the merchant, the broker, and their whole army of dependants, have been agonizing to repossess themselves of the public treasure—you have had panic speeches without number; and pestering committees of from ten to ten thousand. The press has groaned with arguments to show that the interests of these classes should be protected at the expense of all the rest. Every mail has been loaded with speeches to prove that Government is organized to foster the few at the expense of the many. The daily sheets in the pay of those interests, filled with vituperation against those who stand for popular rights, flutter in every breeze, and are borne abroad on every gale; and here upon this floor, at this session, as at former sessions, you hear from the Federal party denunciations, fierce and fearful, against this most safe, most just, most necessary, most Democratic measure.

It is complained, by the opponents of this bill, that it proposes to keep the public money from circulation. "Ah, there's the rub;" farewell, public deposits, say the banks—farewell, loans of the public money, say the merchant and speculator—

farewell, bank suits, cries the attorney—and farewell, bank facilities, and bank counsel fees, say the bank Senators, and members of Congress. It is estimated, that under this bill, not more than five millions of dollars will be on hand at any one time—but, whatever the amount, it is to be safely kept, until paid out in the ordinary operations of the Government. And it seems to me, that it will be in abundant time for the friends of the banks and the merchants, to propose to borrow more of the Government, when they have paid up what they borrowed years ago. But, sir, how, and to whom, do the opponents of this bill propose that the public money should be loaned—with whom deposited? Is it proposed that the farmer shall have the benefit of it? not a dollar: or the mechanic? not a cent: but they propose to dispose of it according to the old fashioned Federal rule—take care of the rich, and the rich will take care of the poor: in other words, they propose that the banks shall have the custody of the money—that they shall loan it to the merchant and speculator, who are their principal customers.

Now, sir, if it be so wrong for the people to keep on hand their money, a few days, between the time of receiving it from the public debtor, and the time of paying it to the public creditor, why do not gentlemen propose some plan, by which it may be deposited directly with the farmers or mechanics of our country? Why must the preference be given to the wealthy bankers? Will any one here venture to say, the bankers are more honest than our farmers and mechanics? I had rather, much rather trust those who live in log cabins, than those who live in bank palaces. I mean the true log cabins, such as I can show you in my own district, and not such as you see hereabouts, and which truly represent those who build them, for they are mere shams, built of slabs, and filled with gentlemen in ruffled shirts and silk stockings. Sir, we shall hear no such proposition—true as the needle to the pole, the Opposition will propose no measure, which does not, in some way, aid the moneyed monopolies of the country.

And what are these institutions which, in the opinion of gentlemen, are entitled to so much consideration at the hands of the people? Why, sir, they are associations of individuals invested by the beneficence of State legislators with all the rights of the whole people on a particular and pretty important matter, that of making a currency—some of the legislators granting the monopoly, being generally interested in the association which they aid to incorporate. They are not necessarily, or generally, at the outset, wealthy, though by the operation of a bank charter they soon become so; for it is one of the excellencies of a bank charter that it turns into money lenders those who have most need to borrow; nor have they necessarily any credit, for the essence of modern banking is the "credit system," which is no more like credit than a horse chesnut is like a chesnut horse; they commence without cash and without credit; and going on without work by the mere magic of a bank charter, by which they exchange their own notes without interest, for the notes of others bearing interest, they draw into their coffers the wealth of the country,



roll in luxury and splendor; have their hordes of officers, and attorneys; command legislators and Senators by their wealth; have, at their nod and beck, thousands of debtors slaves; demand and carry, in your State Legislatures, whatever their cupidity may, from time to time, require; and furnish in this country what the nobility of Great Britain furnishes there—an aristocracy having no feeling or interest in common with the people at large, but considering them as their chartered privileges, make them their hewers of wood and drawers of waters. Such are the institutions which many desire, should have the benefit of the public depositories; and the honorable gentleman from Massachusetts [Mr. Cushing] asked a day or two since, where do the friends of the bill deposite their money? Do they lay it away in a chest, or do they deposite it with the banks? There is no doubt that generally those who have any considerable amount of paper money, deposite it as speedily as possible with a bank; and why? Let us see. Suppose the honorable gentleman from Massachusetts receives ten or twenty thousand dollars in bills of various banks, about the solvency of which he knows nothing, and can know nothing, would he not be unwise if he kept them over night? He would as soon think of keeping on hand a cargo of fresh fish. So if there is a bank in his neighborhood which does not suspend oftener than once a year, he hastens to it with his paper money, deposites it, and the bank has such a high opinion of it, that it sends it back to the place where it was made, by the very first opportunity. Sir, I doubt if there is a bank in the United States, at this moment, whose bills the honorable gentleman would feel safe in keeping for six months.

Mr. Chairman, when the people deal in solid coin, there will be no need of that peculiar promptness with which all now act who have on hand any paper money. There will be no need of playing "Robin's alive" with our money, when we have it in solid coin. Then let the banks suspend or break: the mint dollars will not suffer.

But we are told that the banks, to be used as depositories, should be good specie-paying, solvent, honest banks! Where is such a one? Is it that which suspended yesterday? or the one that failed outright the day before? or the one from which the cashier embezzled half a million last week? or that which is expected to blow up to-morrow? An honest, solvent bank!—a white crow!

Mr. Chairman, it is said that this bill will cripple the State banks. If it were calculated to have that effect, it would not injure it, in my opinion.—But I deny this. In what way does it affect them? It prevents no man from borrowing their money, or from receiving their notes; nor does it prevent them from going on, as heretofore, in the full tide of profitable extortion; and the head and front of this objection is, that, although the bill leaves the people to be shaved, according to the bank charters of the several States, in such case made and provided, it refuses to let the banks have the public money to aid them in that praiseworthy operation.—You cannot cripple the State banks; they are beyond your control; and it is because you cannot regulate them, that you should have nothing to do with them;

Again, sir, it is charged that this bill is an attack upon the "credit system." If it could cut up that system by the roots, eradicate it forever from the land, it would be a glorious bill indeed. I am no enemy to credit; it is the nerve and sinew of industry—the life blood of enterprise; it is as much the property of an individual who will earn it, as his money or his farm. He that trims the midnight lamp to qualify himself for the business; he that rises early, and sits up late, and eats the bread of industry; he that squares his conduct by the strictest rules of morality; will not fail to establish with his fellow men a character for honesty, capacity and industry; and that character is his credit. But the "credit system" is, in all its moods and tenses, a system of villany; and I appeal, without fear of refutation, to the experience of this whole country, under the operation of that system for the last few years, for proof of what I say. It has destroyed honest credit; it has almost destroyed our commercial character; it has swept millions of its blind devotees and innocent victims into the whirlpool of irretrievable insolvency; it has carried poverty and wretchedness into thousands of humble dwellings, which were before the abode of competence and happiness; it has exchanged many a happy home and fireside for the poor-house; it has degraded the moral character of your people, both at home and abroad; and your State sovereignties—aye, sir, the hitherto sacred faith of your States—has been under the "credit system," and is now hawked about the streets of European cities like a broken winded horse, by a town crier, and finds no purchasers. I will give but one instance of the effect of this system upon State credit, and I do so with deep humiliation. The State of New York, "my own, my native land," while carrying on with careful energy and good husbandry her magnificent public works, borrowed money upon her credit. She pointed the money lender to her income, and to her actual resources for his security; and her promises to pay were eagerly sought for, and taken at a premium of from five to ten per cent. Within a year or two, the State, under a "new impulse," has embarked under the auspices of the "credit system;" and her stocks, in a single year, fell twenty-two per cent below par;\* and for every seventy-eight dollars the State received, the farms of her people are mortgaged to pay one hundred dollars, with the interest on the one hundred dollars. Your money lender is no fool; he knows that the prodigality which borrows without the means of paying, is near akin to the morality which will repudiate the debt when it falls due. Sir, if this bill will destroy this source of evil, and restore us a sound and healthy credit, its passage should be announced from city to city, and from village to village, by the ringing of bells and the roaring of cannon.

\* The following paragraph is taken from the Journal of Commerce, a leading Whig paper in the city of New York, of September, 1839:

"A sale of \$100,000 New York and Erie Railroad stock, bearing 4½ per cent. interest, payable quarterly in N. York, was made on Saturday, at auction under the direction of the Comptroller, and taken by Messrs. Prime, Ward and King, as follows: \$10,000 at 79, \$10,000 at 78½, \$30,000 at 78, and \$50,000 at 77½, the closing price. The stock is redeemable in 1859, and was sold on terms—one-third down, and the balance in thirty and sixty days."



*Second.* The bill proposes that the revenue, by progressive proportions, shall eventually be collected in the only currency known to the Constitution—solid coin.

A stranger to the influence which private interest has exerted upon the legislation of this country, and to the all-pervading power of banking associations, would appear astonished, that under our national compact, the Government or its officers had ever presumed to authorize the receipt of any thing else than coin for its revenue.

"Those who formed the Constitution were hard money men," says a distinguished Senator. They had seen the deplorable effects of a paper money system, and they therefore recognised, in our treaty of union, no money or currency but the precious metals; and to prevent, if possible, the future use of paper money, they expressly provided that it should not be in the power of the States to make any thing but gold and silver coin a legal tender for the payment of debts. Such are the prohibitions of the Constitution; but unfortunately there is no barricado against cupidity; there is no law, written or unwritten; there is no Constitution, though purchased by the death of the brave and inscribed with the blood of patriots, which can stay the stealthy, serpent-like progress of crawling avarice. In the teeth of your Constitution, Congress passed a law making the bills of a United States Bank receivable in the payment of revenue; and worse still, by a resolution of 1816, Congress stamps the notes of the United States Bank and the notes of other banks, as an *illegal* currency—as a currency unknown to the Constitution, and, therefore, no currency; and at the same time authorizes them to be received for debts due to the people. The words of that resolution fully bear me out in this position. It provides that the Secretary of the Treasury shall see that all debts due to the United States shall be paid "in the legal currency of the United States, *or* in notes of the Bank of the United States, *or* in notes of banks which are payable or paid on demand." Now does not this resolution show that the very Congress which incorporated the United States Bank, considered legal currency one thing, and bank notes another thing, as indeed they are? Those who oppose the specie clause of this bill are, of course, in favor of receiving the notes of banks for revenue, and, consequently, in favor of receiving for debts due to the people something which is not known to the Constitution as money or currency, and which has expressly been declared by a bank Congress to be different from "the legal currency of the United States."

Mr. Chairman: It is worth while to inquire whether there is any good reason for blotting out the Constitution and following some new light kindled by private interest. The collection of revenue is understood to be, to enable the people to discharge their debts—to pay their shipbuilders, sailors, soldiers, &c. Now, did this Government, from the time of its foundation to the present time, ever contract a debt to be paid in any thing besides the "legal currency of the United States?" I may be mistaken, but I doubt if the opponents of this bill, friendly as they are to the credit system, would authorize any such contracts. Such being the case, Mr. Chairman, is it the part of wisdom for

the people to collect what is due to them in a currency which they cannot pay out to their creditors?

But, say they, none but the notes of specie paying banks—none but notes redeemable in specie, should be received. A specie paying bank—an egregious humbug! Redeemable notes—a monstrous fallacy! Why, sir, there has grown up with this credit system a technical jargon, which is flippantly enough mouthed by "the trade," every phrase of which is cunningly contrived to hide a falsehood under the semblance of truth, or to set ignorance agape while his pocket is picked. Redeemable bank notes! There is no such thing—there never was. The phrase is not applicable, in truth, to any bank in this country which is doing a profitable business with its usual circulation out. If a bank has one hundred thousand dollars of bills in circulation, with but ten thousand dollars of specie in its vaults, those bills are not redeemable, whether any have been refused or not—and when the whole bank circulation is two or three hundred millions of dollars, and there is not more than eighty millions of dollars in the country, in the banks and out of them, that circulation is not redeemable; and it is untrue, except in the bank vocabulary, to say that it is so. A single fact will show you the meaning of the phrase "redeemable notes," and will show the value of notes which are redeemable in bank parlance. On the 9th day of May, 1837, every bank note in the city of New York was redeemable in specie, according to the true intent and meaning of the bank jargon. Not a bill had been refused payment—not a bank had refused to pay such of its bills as were presented. On the 10th of May, 1837, every bank note in the city of New York was irredeemable—not a dollar could be got for it—yet, sir, was it, in truth, worth any less on the 10th of May than it was the day before?—The banks had the same specie on hand—the same notes of their debtors—the same property of every kind—the bank officers were as honest—yet, in the twinkling of an eye, millions of paper money, just such as the opponents of this bill would have you receive, became just such as they would have you *not* receive; and this change, which is at all times liable to occur, you have no means to prevent, for the local banks are beyond your control; no foresight can predict it, no sagacity arrest, no skill can remedy. Sir, is it the part of wisdom to collect your revenue in a currency so uncertain as this, which to-day is, and to-morrow is not? Your gold and silver changes not; put it safe in your strong box; it is good to-morrow, next year, next century; it loses neither weight nor value; it never suspends; it is never irredeemable; your soldiers, and sailors, and workmen will not refuse it, nor will they suffer by its being below par. Put it on board your men of war, and send it around the globe; the country is yet undiscovered in which it is not known and appreciated as a valuable circulating medium. The experiment of receiving bank paper for revenue has been tried, and it miserably failed. The Government is yet suffering on account of the non-payment by the banks of their notes, received for revenue. The notes of specie paying banks, notes redeemable in specie received in 1836, and deposited with the banks, are yet unpaid; and these very institutions, which cannot, or will not, pay



their debts, insist, by their friends here, that you should trust them again. We are told, with something of a chuckle of triumph, that the late President adopted the State bank deposit system, and pronounced them good and sufficient for all the purposes of depositories; and we are urged to adhere to a system which he, "the noblest Roman of them all," approved. Sir, the fact and the argument show the character of the two parties. In an evil hour, the Democratic party yielded to the clamor of the banks and merchants for the deposits, and ordered them to be made in the State banks. That plan failed; they have abandoned it, determined to trust them no more, but to regard the economy of the old Scotch proverb: "He that cheats me once shame fa' him—if he cheat me twice, shame fa' me"—while the party which "learns nothing forgets nothing," would "totter on in blunders to the last."

Sir, there is another plan for keeping the public money, and for furnishing a circulating medium, and that is by a United States Bank; this, has, in one instance been avowed to be the measure of the Opposition upon this floor; and would, I suppose, be generally acknowledged, were it not that such an avowal would be a blur upon the escutcheon of a party on whose banner is inscribed "OFFICE, NOT PRINCIPLE," and whose virtue, like that of the Venetian women, is "not to leave undone, but to keep unknown."

Mr. Chairman, if it is in the power of experience to establish a truth, then is it proved beyond all question that the United States Bank was a failure. I speak of it as a bank, and not as a Government agent, supported and sustained by the money of the people; and as a bank, I say it was a failure. I appeal to this whole country, whether from the time that Bank ceased to be a Government Bank; from the moment it took a State charter; although he that should have known best, declared it to be a better charter than the other, and more profitable to the stockholders—I say, sir, I appeal to the whole country to say, whether from that moment that Bank did not take the down hill road; and although in its steep-down course, he who had directed its destinies hitherto, deserted it, declaring it to be in a prosperous condition—I ask whether that United States Bank, with the same capital—a better charter, the same directors, the same field of operations, is not now in ruins? And, sir, if, while that Bank was the Government agent, it was able to make large dividends, to pay large counsel fees to Senators and Congressmen, to publish large editions of political electioneering pamphlets; and if, when it ceased to be a Government agent, it became insolvent; is it not "confirmation strong as proof of Holy Writ," that all those immense profits and means of profligacy were drawn from the Government, and not from its legitimate operations as a bank? And yet, in the face of all these facts, a large party in this country is in favor of such an institution. I should be at a loss to account for such an obliquity of reason, did I not sometimes fancy that I could hear the leaders of that party, saying to each other in the language of Demetrius, the silversmith, "Sirs, ye know that by this craft we have our wealth."

It is further objected to this bill, and especially

to the specie clause, that its effect will be to establish an exclusive metallic currency in this country. If such a result could be brought about by degrees, so as to produce no commercial distress; no sudden fluctuation in prices; no unjust effect upon existing contracts, it were in my opinion a consummation devoutly to be wished. And, sir, I rely upon the experience of the whole world, in all ages, under all Governments, and under all circumstances, for the proof of what I say, when I assert that, from the time that Abraham bought the cave of Macphelah of Ephron, the son of Zahir, for which he "paid four hundred shekels of silver current money with the merchant," down to the present time, gold and silver have been "current money" every where—while I assert that no paper money, which was not guaranteed by the faith of a Government, ever passed as "current money" out of the country in which it was made; and I challenge the friends of paper money here or elsewhere to point out that system of paper money, whether of a Government or of banks, which has not failed. Sir, what is the objection to an exclusive metallic currency—and I lay aside now the inconvenience of the change, whatever that inconvenience may be—what is the objection? Why, you are met at the threshold with the cry, there is not enough—not enough? Did ever any one find out how much would be enough? No man ever did. No man ever can; and they who pretend to tell you with any certainty, are, in my opinion, quacks, who presume upon the ignorance of others, to assume a character for greater knowledge for themselves. I do not pretend to say how much is enough; but this I know, that if in proportion to our industry, enterprise, and production, we did not have a fair proportion of the gold and silver in the world, it would be the first instance in which the laws of trade, which, unchecked and untrammelled, are the laws of God, failed to administer good and ample justice.

Another objection to a specie currency, is its inconvenience of transportation. Well, sir, let us see what this really amounts to—and the objection comes, you will remember, from those who profess themselves to be the hard-fisted, hard-working, log cabin men. Fancy yourself, Mr. Chairman, stopping at the log cabin of a Whig, in an Illinois prairie, where what is lacking in choice viands, will, I dare say, be more than made up by a right hearty welcome—and the good man of the house, who has lately received a speech of one of his friends here, is bemoaning the wretched state of the country, and his own sad condition in particular—and, among other things, laments that paper money will not pass at the land office—that he wishes to enter a section of land that adjoins his farm, for which he has the one hundred dollars of gold in his chest, but that the inconvenience of transportation is such, that he is compelled to forego the purchase. You ask him how much the gold, necessary to pay for the land weighs, and he tells you about five ounces! about as much as a good-sized jack-knife!

Mr. Chairman, this is a fancy sketch—the log cabin gentry of your cities may be bent to the earth, under a five ounce weight but there is no log cabin man in Illinois, and I have seen many of



them, who would look his horse in the face, and utter such an absurdity. Sir, the good people of this country would little know the extent of their misery and suffering, but for the opposition efforts here and elsewhere.

There is little danger, Mr. Chairman, but that the merchant, who has half a million of dollars, which he wishes to send from New York to Charleston, will find the ways and means of doing it. Your concern and mine, should be to provide, so far as we can, a good currency for the men of small means—a class which comprehends nine-tenths of the people of this country—that the man who has ten dollars, and wishes to travel ten miles, may have that which is valuable when he sets out, and will not spoil before he reaches the end of the journey.

Most heartily do I wish that a bank note below the sum of twenty dollars might never again be seen in this country; that the hand-to-hand currency—that in which the mechanic receives his monthly, and the laborer his weekly wages—might be in the precious metals, upon which he would be charged no discount; of which he could lay by a small portion for a rainy day, without fear of its spoiling; and in which he would no longer be the victim of that most current form of scoundrelism, counterfeit and depreciated bank paper. Sir, the losses by counterfeits and broken banks fall most grievously and almost exclusively upon the poor man. I do not doubt that the merchant, who receives a million of dollars a year, suffers less in this way than the laborer, who gets but a hundred and fifty. The first, never moves without his counterfeit detector and his weekly or daily list of broken banks; and if, by chance, he takes a bill which is below par, one which his deposit bank will not receive, it will nevertheless answer perfectly well to pass away to his porter or cartman, when Saturday night comes; and he, sir, takes it to the grocer to purchase provisions for his family, and there suffers a deduction of five, ten, or fifteen per cent. from his earnings. Sir, if your moneyed man lost as much in proportion as the working classes do by bank paper, every bank charter would be repealed in six months. Does the labouring man complain? To whom shall he utter his complaints? To his employer, think you? He dare not; he must submit; his family must eat less, or perhaps starve more; another boy or girl must be taken from school and put to service for a bare

living; and him that is cheated, wronged, defrauded, his hard earnings wrung from him each Saturday night by this damnable system of legalized indirection. Monday morning's sun must find him at work without a murmur, or it will find him discharged.

I would that this bill might have one half the effect in bringing about a metallic circulating medium that its enemies attribute to it. I should then think still better of it than I do. But it will do something; it will at least prevent the people's money from being used to sustain anti-republican institutions; it will take a little power of doing injury from them. They can, under this bill, no longer beat the cripple with his own crutch; they can no longer lend the people their own money, and, by their most approved deposit system, make the owner of money pay interest while he is being cheated out of the principal.

The monetary affairs of this nation will no longer be subject to irresponsible corporations; it will be at least refusing the sanction of this Government to the creation, or the perpetuity of a distinct and privileged class, forming a moneyed aristocracy, more odious and more dangerous than any other aristocracy which ever existed, because their privileges are stolen from the mass of the people, and their immense income is an immense extortion. This bill effects, in this most desirable reform, but little; it can effect but little; the subject is not one on which you can exercise a direct and efficient authority; the subject is under the control of the State Governments. Had we the power, I should be in favor of doing much more than this bill can do, to check the rapid strides of the moneyed oligarchy; for, as I live, I believe that the first civil war which this country sees, will be a rising of the people to demand a restoration of their rights, which have been apportioned out by your legislators among the favored few. And if the system is to go on increasing in all its blasting, withering influences upon the prosperity of the people, the moral character of the country, and the honor of your Government, the sooner that crisis arrives the better; and when it does come, may God speed the right.

Mr. F. concluded his remarks at the hour of eight o'clock, P. M.; at which hour

Mr. BARNARD obtained the floor; and on his motion, the committee rose, and

The House adjourned.